

Tommy G. Thompson
Governor

Michael J. Sullivan
Secretary



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Mailing Address
149 East Wilson Street
Post Office Box 7925
Madison, WI 53707-7925
Telephone (608) 266-2471

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State of Wisconsin
Department of Corrections

July 18, 1994

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AUG 12 1994

The Honorable Reed E. Hundt, Chairman
Federal Communications Commission
1919 M Street, N.W.
Washington, D. C. 20554

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Dear Chairman Hundt:

The Wisconsin Department of Corrections would like to go on record in opposition to the FCC proposal regarding Billed Party Preference - CC Docket No. 92-77 and its potential adverse impact on the operation and management of the department's correctional institutions.

This agency spent innumerable hours developing the most recent RFP for inmate telephone service that was issued in November, 1993. At this writing the intent to award has been given to MCI. This particular RFP emphasized the department's needs for security and specialized functionality, the needs of inmates and their families, and the responsibility for vigilance and oversight of the contractual arrangement between the State and the eventual successful bidder. We feel that BPP, if approved, will work against the major improvements we have been able to make as a result of this most recent solicitation.

As you can see from the attached portion of the RFP which details cost requirements this agency is deeply concerned about the financial impact of this service to the end users. We feel our RFP, and the MCI proposal responsibly address this concern. Of equal, or greater importance, are the ongoing security requirements and the Department's ability to interrupt fraudulent telephone activity that may originate from our correctional institutions through the use of the most recent technology developed by telephone carriers for such purposes.

We feel that the department's ability to receive specialized services like call blocking, monitoring, call timing, and other features will be lost if sufficient revenues cannot be anticipated by the chosen carrier. These services are viewed as the most critical priority from our operational perspective and we cannot support any FCC proposal that may jeopardize their availability and utility to us.

This agency does not intend to generate large sums of money as a result of telephone usage by inmates. Any funds that may be received, however, will continue to be directed toward goods and services for inmates in order to reduce costs to taxpayers.

The Wisconsin Department of Corrections filed our original opposition to the FCC proposal on BPP approximately two years ago. This letter confirms and reiterates with all certainty our continued opposition to Billed Party Preference - CC Docket No. 92-77.

Thank you for the opportunity to comment on this important matter. If you need any additional information please contact Pamela J. Brandon, Administrator, Division of Management Services, at (608) 267-3667.

Sincerely,

Handwritten signature of Michael J. Sullivan.
Michael J. Sullivan, Secretary

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9

REQUEST FOR PROPOSALS

STATEWIDE INMATE TELEPHONE SERVICE

Due Date To Submit Questions	November 11, 1993
Due Date To Submit Letters of Intent to Propose	November 5, 1993
Due Date To Submit Proposals	November 24, 1993

2:00 P.M. Local Madison Time For All Due Dates

Issued By:

The State of Wisconsin, Department of Corrections

November 1, 1993

For Further Information Contact

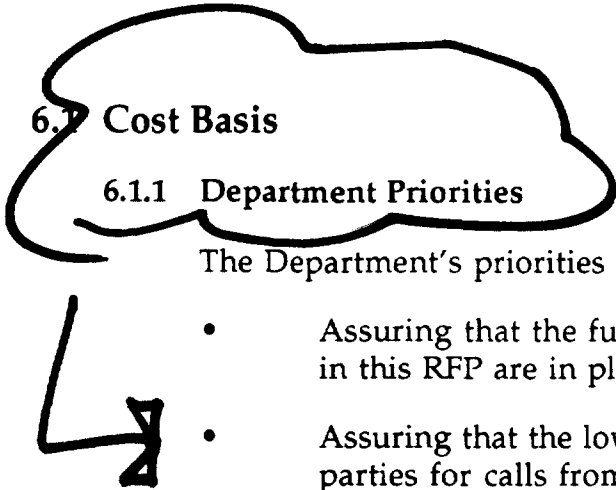
Bud Martin, Purchasing Manager, 608-266-1105 (Phone) or 608-267-1759 (FAX)

Section 6: Cost and Revenue Requirements

6.1 Cost Basis

6.1.1 Department Priorities

The Department's priorities for this acquisition are as follows:

- 
- Assuring that the functionality and contractor support required in this RFP are in place.
 - Assuring that the lowest possible rates are charged to the called parties for calls from inmates.
 - Obtaining income. Commission revenues are not sought in this procurement, however, any net positive earnings due to cost savings should benefit both the contractor and the State.

6.2.2 Cost/Revenue Model

It is easiest to conceptualize this contract as if it were a normal network-type agreement, in which the contractor would provide all required equipment and services, and the State would be charged for calls placed. (The difference is of course that the contractor will charge the called parties, rather than the State, for the calls placed.)

On the cost side, the contractor would incur various types of costs in providing the required equipment and services to the State. These can be grouped in the following three categories:

1. Cost of Calls Placed

This category would include the actual monthly costs of placing calls, via whatever carrier or carriers were used (including the contractor, if a carrier), less a standard percentage for unbillable/ uncollectible/ adjusted charges. The costs in this category would vary from month to month, depending on the calls placed during that month.

2. Cost of On-Site Equipment & Facilities

This category would include the actual monthly costs for amortization of the telephones and associated facilities located in

the institutions/centers. This cost would also vary with the number of telephones installed.

3. Cost of Call Processing & Service Bureau

This category would include all other proposed costs for complying with the requirements of this RFP, such as (but not limited to) the State's portion of any call processing equipment and software, recording equipment, control equipment, etc.; replacements and upgrades for these items; either debt service or lease costs for these capital expenditures; compensation costs for employee positions or portions of positions that are attributed to the State for all the functions provided, from Help Desk to maintenance, to on-site staff; overhead and travel costs; maintenance and facilities; network transmission cost; database costs; contractor profit; etc.

On the revenue side would be the call charges billed to called parties. These would vary from month to month depending on calls placed and current tariffed call charges.

6.2 Cost Proposal

Cost proposals must include all the required information on the attached cost summary sheet. These elements correspond to the categories above. The first year cost and an annual not-to-exceed for future years for the required contract auditor are provided.

6.3 Revenue Proposal

Revenue proposals must be based on a percentage or set of percentage discount(s) from the tariffed collect call charges established for AT&T customers. AT&T rates are used as the standard because they are specifically referenced in current Public Service Commission of Wisconsin regulations as the maximum allowable for inmate calls. Revenue proposals must include all the required information on the attached revenue summary sheet.

6.4 Additional Information and Requirements

6.4.1 Local Calls

The Department prefers to receive proposed rates for local calls (i.e. within the flat message rate area of the institution or center) that are charged at a lower rate than other intra-LATA calls.

6.4.2 Payments By The State

In no case will any payments be made by the State to the contractor in connection with this contract

Among other things, the State will have no exposure for fraudulent, unbillable, or uncollectible calls; any adjustments made to called parties for disputed amounts; or charges from any subcontractor, carrier or supplier of the contractor.

6.4.3 Annual Adjustment

Within thirty days after the anniversary date of contract signing, costs and revenues for the previous year will be compiled by the contractor and presented in an annual report. Category 1 costs may be increased or decreased to reflect actual calls placed, provided that acceptable substantiation for these costs is provided. Category 2 costs may be increased or decreased based on the number of telephones in service. Category 3 costs will not be increased during the year.

The report will also summarize actual billing for the same period.

If there is an excess of earnings over costs, reflecting effective cost management by the contractor, this excess will be split equally between the contractor and the State. Any payment to the state will be made in a single check, payable to the Department of Corrections.

Proposals must include a sample format for this report and indicate how they will accumulate and substantiate all reported costs.

6.2 Cost Summary

Submit this page plus the two required attachments. (Attachments may be any number of pages.)

6.2.1. Cost of Calls Placed

Proposers may specify the categories of calls in which they will accumulate costs. There may be a minimum of a single category, or a maximum of the same number of costs as on the table of AT&T rates charged. However, in establishing these categories, proposers must keep in mind the need to substantiate actual costs throughout the contract period in these same categories.

The unit cost must be provided for each category established. This unit cost will be the actual cost in effect on the proposal due date.

Attach a separate sheet containing these unit costs.

6.2.2 Cost of On-Site Equipment & Facilities

Provide a fixed monthly cost per telephone attributable to this category. This cost will not vary during the contract period.

\$ _____

6.2.3 Cost of Call Processing & Service Bureau

Provide a fixed cost for each year of the contract for all other costs.

Year 1 \$ _____

Year 2: \$ _____

Year 3: \$ _____

Attach a listing of the items included in this cost; the list does not need to include any cost breakdown, but should specify details such as % of a larger processor attributable to the state, number of employees or hours provided under the contract, the standard percentage assumed for unbillable/uncollectible calls, etc.

6.3 Revenue Summary

Submit the three required attachments. (Attachments may be any number of pages.)

6.3.1 Maximum Rates (AT&T Tariffed Rates)

Attach a complete table of the AT&T rates in effect on the due date for this proposal, showing all rate steps and categories. This data must be complete and accurate and include calls to all destinations in the U.S.

6.3.2 Proposed Discounts

Attach a set of discount percentages for each cell in the table, i.e. for each type call for which there is an AT&T rate. If a single percentage is proposed for every rate, the complete table does not need to be submitted.

6.3.3 Proposed Rates

Attach a corresponding table of proposed rates calculating the discounts in 6.3.2 applied against the basic AT&T rates in 6.3.1.



— EXCELLENCE IN TELECOMMUNICATION SERVICE —

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AUG 12 1994

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

July 1, 1994

The Honorable Reed E. Hundt, Chairman
Federal Communication Commission, Inc.
1919 M Street, NW Room 814
Washington, D.C. 20554

RE: Billed Party Preference/CC Docket No. 92-77

I am a private payphone owner located in Sacramento, California and I have payphones located in Sacramento, Auburn, Yuba City, Vacaville, Napa, Stockton and Lathrop areas. I am writing to express my concerns and opposition to the proposal to implement the Billed Party Preference (BPP).

All of my public payphones allow the caller to access the long distance carrier service of their choice and presently I am given minimal to no compensation for this compliance and convenience. I find that the BPP is a redundant plan and a costly band-aid that is being place over a sore that does not really exist.

The caller will only find the BPP to be more cumbersome and time consuming by having to repeat the calling information to two or more operators. Also the caller will of course be the one as the end-user that will be paying for the added costs to implement and keep effective the BPP.

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Enclosed you will find my complaints on existing problems that we have with the Local Exchange Carriers (LECs) and the BPP will only add many more. In some cases the LECs will not even be able to handle the requirements that will be needed to support the BPP. We have worked very hard to keep the involvement of the LECs on a fair and open playing field and even though this has not been fully acquired the BPP will only crush the efforts made to this date.

As a member of the California Payphone Association, American Public Communications Council, Better Business Bureau and other local county boards and commissions that I am a member of I hear first hand the direct needs and feelings of the individual. Even without the implementation of BPP we know there is a direct cost that we must pass onto the caller. Why do this to the caller?

I request that you reject the BPP in its entirety based on the above information and more information that we would like to have included but did not include due to the length that would be added to this already lengthy letter.

I do thank you for enduring the length of this letter and for the consideration that you have and will give to my letters contents.

A handwritten signature in black ink, appearing to read "Perry R. Owen", written in a cursive style.

Perry R. Owen
Business Owner



— EXCELLENCE IN TELECOMMUNICATION SERVICE —

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AUG 12 1994

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Pacific Bell
Payment Center
Sacramento, CA 95887-0001

June 27, 1994

92-77

Dear Billing/Customer Service:

I have three circumstances that occurred to my Customer Owned Pay Telephone (COPT) accounts that caused me to loose revenue due to your companies errors. I am sure as I am writing this that your response will be that you will not compensate due to errors that occurred by your company. I feel that at least my bill should be reduced for the days that service was not provided. The following is the COPT numbers and the service problem that occurred:


1) 916-673-9885 This line was a Pacific Bell coin line phone and even though the phone was removed the central office was still requesting coins from the phone line. This was not fixed until the second repair request was made. This was at least seven days without full service to this COPT line.

2) 916-673-9849 This was a new line and the bill was paid along with others by billing disk information. Only this phone line received a turn off service notice and I personally called the billing department and was assured that the bill was paid and no further action was needed. The phone line was turned off on a Friday and I was informed that Monday was the soonest that the phone line could be restored. This was at least three and a half days with no service to this COPT line.

3) 916-923-5040, 5048 and 5069 These are public phones with fax that are located at the Sacramento Metro Airport. I spent over \$6,000 upgrading these credit card only phones to pay phones that would take phone calling cards. Your Pacific Bell representative for this location suggested that the airport have my new style phones removed due to the alike appearance. I did remove them at the request from the airport but still do not agree with the tactics and justification used by Pacific Bell to have them removed.

These and other like cases continue to support good reasons why Pacific Bell should not be allowed to compete as a long distance service carrier.

Sincerely,


Perry R. Owen

cc: PUC
CPA
Sac Capitol

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Actel

AUG 12 1994

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

JUL 22 4 41 PM '94

Wednesday, July 20, 1994

Honorable Reed E. Hundt, Chairman
Federal Communications Commission
1919 M Street NW
Washington, DC 20054

ee Doc-92-77

Dear Chairman Hundt:

ACTEL, Inc. is a provider of public pay telephone services throughout the State of New Jersey operating approximately two hundred fifty (250) pay telephones at various locations. I wish to provide my comments to FCC Docket 92-77 in the matter of Billed Party Preference for 0+ interlata calls.

Let me be clear at the outset; if Billed Party Preference becomes a reality, ACTEL will be forced to remove its 250 pay phones in operation and will unavoidably be forced to liquidate its assets. I dare say that all other pay phone vendors in New Jersey operating seventeen thousand (17,000) pay phones will be forced to do the same. This will result in pay telephone service being terminated for over five hundred thousand (500,000) callers per day.

To explain, Billed Party Preference will result in the elimination of revenue for non-coin (non sent paid) calls through ACTEL's pay telephones. The billed party will be billed based on the pre-registered carrier of choice which, under no circumstances, is the carrier that ACTEL holds an agreement with to carry all operator assisted calls (Cleartel Communications, Washington DC) My carrier is virtually the sole source of non sent paid traffic revenue, the remainder being dial around compensation which, unfortunately, represents only a very small fraction of the total non sent paid compensation.

This would obviously leave ACTEL with only revenue from coin or sent-paid traffic. However, the gross revenues from this traffic does not even equal ACTEL's cost of doing business.

ACTEL recognizes that Federal Communications Commission seeks to protect the consumer by providing billing based on the customer's choice or preference. I also understand that this issue is under consideration, in the first place, due to two (2) main factors.

1. High rates and surcharges for operator assisted calls handled by certain Operator Service Providers.
2. Blocking of access codes forcing consumers to use the pre-subscribed operator service provider.

In attempting to protect the consumer, Billed Party Preference will do just the opposite. As do other competing pay telephone companies, ACTEL provides essential service.

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Page 2

Honorable Reed E. Hundt
Wednesday, July 20, 1994

telephone services in low income, inner-city areas such as Newark, Jersey City, Paterson, Elizabeth, Trenton, Camden, and Atlantic City. These are the same areas that have been ignored, even abandoned by Bell Atlantic making the competing pay telephone companies the key provider of pay telephone services. It is estimated that twenty (20) percent of the residents of these areas actually have no residential service and rely on the public phone as their "residential phone." At the same time, emergency calls from these high crime neighborhoods would be essentially denied to the people who have the most extensive need for easy/quick access for a phone.

AT&T, MCI, and Sprint will receive essentially all the traffic and, except for dial around compensation, which I believe is extremely insufficient, ACTEL will receive no revenue from these carriers. Billed Party Preference mandates that the caller be billed through preference, which in and of itself is good. However, Billed Party Preference also mandates a return to domination by large carriers and the elimination of the competing pay telephone providers and competing operator service providers resulting in less access or no access to essential public pay telephone services.

I wish to offer a five-point solution to the problem that will result in increased competition, lower rates for the consumer, and maintained access for the consumer.

1. Enforce the rules previously adopted prohibiting blocking from public pay telephones. If access is blocked or denied, penalize the provider of service through warnings/fines.
2. Regulate the rates we charge and the rates we pay.
3. Cap Location Surcharges.
4. Pay dial-around compensation on a usage basis. The present amount and method is woefully inadequate.
5. Work with the individual state regulatory bodies to promote fair competition on an intrastate basis. Monopoly services, those services that must be purchased from the Local Exchange Carrier (lines, local calls, toll calls, dial tone, line installations), must be provided to competitors at terms and conditions, including price, that are equal to the LEC's own cost of providing the service.

Chairman Hundt, ACTEL is a small company, founded by me, and in operation quite successfully since November, 1987. In that time ACTEL has lost a total of two (2) customers. This is a track record that I am most proud of. It is also quite indicative of the fact that I provide excellent service to the public. I remind you that my phones are largely in neighborhoods where residents lack residential service. The public I serve appreciates the quality and reliability of the service ACTEL provides. They continue to use the telephones in increasing numbers year after year....all a result of reliable, quality service. I have invested my entire life savings to build ACTEL. Please do not adopt rules or make regulations that will throw the baby out with the bath water. ACTEL, and other similar companies, provide needed public pay telephone services. The solution to the problem of high rates must not penalize good providers of service

Page 3

Honorable Reed E. Hunt

Wednesday, July 20, 1994

and the public who uses these services. The solution lies at the root, not at the surface. The program I outlined deals with these issues effectively and will surely result in the main benefits of competition; better services at lower costs.

Please act to lower rates.....all rates.....but do so without the "cleaver" of Billed Party Preference. If you have any questions, or would care to discuss this further, please do not hesitate to contact me at (201) 989-9012.

Thank you for your attention.

Sincerely,

**ACTEL, Inc.
Arthur Cooper
President**

**cc: American Public Communications Council
New Jersey Pay Phone Association**



EL PASO COUNTY SHERIFF'S DEPARTMENT

601 E. OVERLAND
P.O. BOX 125
EL PASO, TEXAS 79941-0125
(915) 546-2285



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AUG 12 1994

June 29, 1994

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

The Honorable Reed E. Hundt
Federal Communications Commission
1919 M. Street, N.W.
Washington, D.C., 20554

RE: Billed Party Preference;
CC Docket #92-77

Dear Chairman Hundt,

The El Paso County Detention Facility presently has an inmate population of 1500. We are also in the process of building a Jail Annex with an added capacity of 1200. The inmate telephone service provider is Southwestern Bell.

I am totally opposed to the "Billed Party Preference" proposal now being considered by the Federal Communications Commission. Under our contract with Southwestern Bell, I feel that we have the necessary safeguards to prevent fraud, other inmate abuses such as harassment of witnesses and law enforcement personnel, and the most important, preventing inmates from running criminal enterprises from jail cells, via telephone.

If the Billed Party Preference proposal is approved, I feel that all the safeguards provided by inmate phone service providers will be eliminated and that inmates will have a field day. If this proposal is approved, it will put all the Inmate Phone Service providers out of business, dry up a source of income for the county, and additionally put a burden on our county to provide and pay for the phone system now in place. El Paso County is in no condition to pay for the phones and equipment necessary to provide adequate service to the inmates. The inmate population is growing daily and so are the many programs that are now totally funded by the County (such as educational, medical, recreational, etc.).

During the 9 1/2 years that I have been Sheriff, I have had one complaint in reference to the rates charged by the inmate phone company. I am willing to enforce a rate limit if the Federal Communications Commission feels one is needed.

Jail Administrators have their hands full right now. Please don't add another major problem by approving the Billed Party Preference proposal.

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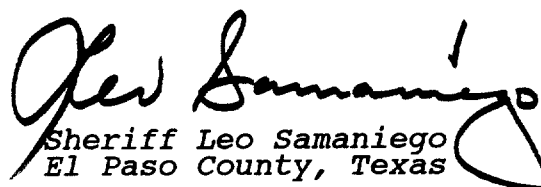
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We Serve With Pride

Thank you for your consideration in this matter.

Sincerely,


Sheriff Leo Samaniego
El Paso County, Texas

LS/rm

cc: The Honorable James H. Quello
The Honorable Andrew C. Barrett
The Honorable Rachelle B. Chong
The Honorable Susan Ness
The Honorable Ronald Coleman, U.S. Representative
The Honorable Phil Gramm, U.S. Senate
The Honorable Alicia Chacon, County Judge
File

INMATE PHONE SERVICE PROVIDERS TASK FORCE

ALERT

FCC PROPOSAL THREATENS INMATE PHONES

The FCC issued an order for further comments on June 6, 1994 for the proposal to route telephone calls via the carrier chosen by the party paying for the call, Billed Party Preference "BPP." See enclosed copy of selected pages from the FCC Order. Under BPP, calls would be routed automatically to the carrier chosen by the party being billed for the call. **A BPP prison collect call would be routed to the called party's chosen carrier.** BPP will prevent inmate phone service providers from carrying the calls. With no call revenue the inmate phone service provider is out of business. **BPP will eliminate all inmate phone service commissions and the fraud control features currently provided by your inmate phone service provider.**

IMMEDIATE ACTION IS REQUIRED. COMMENTS MUST BE FILED BY JULY 8, 1994.

- 1) Please review the enclosed article "*Billed Party Preference, A Prescription for Disaster*" in the Jan/Feb 1994 issue of *AMERICAN JAILS* to get an overview on the issue.
- 2) Please write to the FCC and explain to them why you are opposed to Billed Party Preference for inmate phones (see attached "What You Can Do to Oppose BPP").
- 3) Send copies of your letters or comments to your Congressional Representatives and Senators asking them to write the FCC.
- 4) A very important action you can take to oppose BPP is to contact **any inmate family or inmate support group** that has been pleased with your inmate phone service. These groups should eagerly oppose a federal effort that could jeopardize the increased availability of inmate phones. Be sure to tell your inmate phone service provider of such groups, who will make sure they understand the risk that BPP places upon the ability of inmates to enjoy frequent and unsupervised calling opportunities.

For additional information contact:

VINCENT TOWNSEND, INMATE PHONE SERVICE PROVIDERS TASK FORCE
P.O. BOX 8179 GREENSBORO, N.C. 27419 VOICE 1(800) 729-8355 FAX 1(800) 776-8423

INMATE PHONE SERVICE PROVIDERS TASK FORCE

WHAT YOU CAN DO TO OPPOSE BPP

You must write the FCC and tell them you are opposed to BPP. Your letter or comments should stress the following points:

1) **BPP will undermine your ability to control inmate calling.**

As a correctional facility administrator, you are in the best position to evaluate your inmates to determine what call controls are necessary and in the best interest of your inmates and the general public -- not the federal government. Explain to the FCC why these controls are necessary at your facility in order to prevent call abuse and fraud. Try to give specific examples of call abuse or fraud problems at your facility that have been resolved by working together with your inmate phone provider. (NOTE: Proponents of BPP have tentatively convinced the FCC that call abuse and fraud at correctional facilities is no worse than at non-inmate locations! This misperception at the FCC must be corrected.)

BPP will, in effect, grant every inmate at your facility a new federal right to use the long distance carrier of his choice. You, as the guardian of that inmate, will no longer have control over how inmate calls are routed. Under BPP, inmates could conceivably harass the judges, witnesses and jury members involved in their convictions -- or even the victims of their crimes! Explain to the FCC the dangers of allowing inmate calls to go to any long distance carrier, as opposed to a service provider chosen by you and contractually committed to provide the call and fraud controls required by your facility. In particular, tell the FCC why it is so necessary to have a service provider with whom you are in daily contact, one who can service your needs (i.e. install number blocking, PINs, etc.) immediately upon request.

In short, tell the FCC that you vigorously oppose any federal interference with your ability to manage and control your inmates' calling.

2) **BPP will eliminate current revenue-sharing arrangements that fund important inmate programs and may create new financial burdens for your facility.**

Explain to the FCC the realities of prison and jail funding, and how but for the cooperative effort with your inmate phone provider who provides the sophisticated inmate calling systems currently in place, there is no way you could afford to provide such a system. Explain further that the revenue-sharing arrangements with your inmate

phone provider have been an innovative and effective means of financing important inmate programs, such as family visitation, education and drug rehabilitation programs. Provide specific examples of the benefits that increased phone availability and inmate programs financed through revenue-sharing have brought to your inmates (i.e. improved morale, rehabilitation and reduced recidivism).

Proponents of BPP have told the FCC that cooperative arrangements with your provider are not necessary since you, the facility administrator, can independently finance sophisticated inmate calling equipment through your general budget. Tell the FCC that that simply isn't so, and that you may be left with no alternative but to reduce the availability of inmate phones without this cooperative effort, such as was extensively the case before independent inmate phone providers came along.

(NOTE: Proponents of BPP have exaggerated the impact of the revenue-sharing arrangements. They have been successful in convincing certain FCC officials that superfluous, unnecessary programs are being financed on the backs of the inmate families through overcharging for inmate calls. As discussed below, it is important for the FCC to understand that the overwhelming majority of administrators are sensitive to the overcharging issue, and only use their revenue-sharing arrangements for necessary programs that benefit inmates.)

In short, tell the FCC that you oppose any federal effort that infringes on your ability to provide your inmates an effective phone system and fund other important inmate programs. At a time of fiscal crisis in government, the FCC should not be cutting off a critical source of revenue that is used to benefit your inmates.

3) BPP is not the way to ensure reasonable rates for inmate calling.

Tell the FCC you are sensitive to the rates that inmate families pay for calls. It is important for the FCC to understand that the vast majority of correctional facilities only contract with inmate phone providers that charge reasonable and sensible calling rates. Indeed, explain to the FCC that for very practical considerations you must have reasonable rates -- otherwise the families will not accept the inmates' calls. This only serves to frustrate and anger your inmates in addition to depriving your facility the revenue necessary to pay for your important inmate programs.

If you are one of the growing number of administrators that contractually require rate ceilings from your provider, it is important that you notify the FCC. You should also assure the FCC that you will be responsible for monitoring compliance with those ceilings. Tell the FCC that you would support an educational campaign urging other administrators to similarly impose rate ceilings in their contracts. Clearly, this is a more sensible and cost-effective way of changing the behavior of the small minority of providers that may be overcharging for their calls.

In short, tell the FCC that the responsibility for ensuring that your provider charges reasonable rates lies with you, the facility administrator, who is in the best position to evaluate the circumstances at your particular facility. Let them know that you oppose a complex federal effort that would effectively strip you of your responsibility over the welfare of your inmates, and that would be a more complex, costly and ineffective way of handling rate monitoring.

* * * *

All letters and comments must be received by the FCC by Friday, July 8, 1994.

Your letters should be addressed to the Chairman of the FCC as follows:

The Honorable Reed E. Hundt
Federal Communications Commission
1919 M Street, N.W.
Washington, D.C. 20554

Re: Billed Party Preference; CC Docket No. 92-77

Don't forget to send a copy of your letter to the other four commissioners at the same address:

The Honorable James H. Quello
The Honorable Andrew C. Barrett
The Honorable Rachelle B. Chong
The Honorable Susan Ness

You should also send copies of your letters to your Representatives and Senators asking them to write the FCC.

If you would like to send your opposition in the form of "**COMMENTS**" to the FCC, a more formal way to participate in FCC proceedings, you should format your document as indicated on the following page.

Please send a copy of your letter or comments to:

INMATE PHONE SERVICE PROVIDERS TASK FORCE
P.O. BOX 8179 GREENSBORO, N.C. 27419 VOICE 1(800) 729-8355 FAX 1(800) 776-8423

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AUG 12 1994

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

(EXAMPLE OF THE FORMAT FOR COMMENTS TO THE FCC)

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of)	
)	CC Docket 92-77
Billed Party Preference)	
For 0+ InterLATA Calls)	

COMMENTS OF [NAME OF YOUR FACILITY]

[STATE WHO YOU ARE AND WHY YOU HAVE AN INTEREST IN THE
PROCEEDING]

[INSERT TEXT OF OPPOSITION, DOUBLE-SPACED]

[SIGN THE COMMENTS, GIVING YOUR NAME, TITLE AND ADDRESS]

[INSTRUCTIONS FOR FILING ARE ON THE FOLLOWING PAGE]

INSTRUCTIONS FOR FILING COMMENTS

Send original comments and nine copies to:

Office of the Secretary
Federal Communications Commission
1919 M Street, N.W.
Washington, D.C. 20554

Send two copies of comments to:

Policy and Program Planning Division
Common Carrier Bureau
Room 544
1919 M Street, N.W.
Washington, D.C. 20554

Send one copy of comments to:

ITS, Inc.
2100 M Street, N.W.
Suite 140
Washington, D.C. 20037

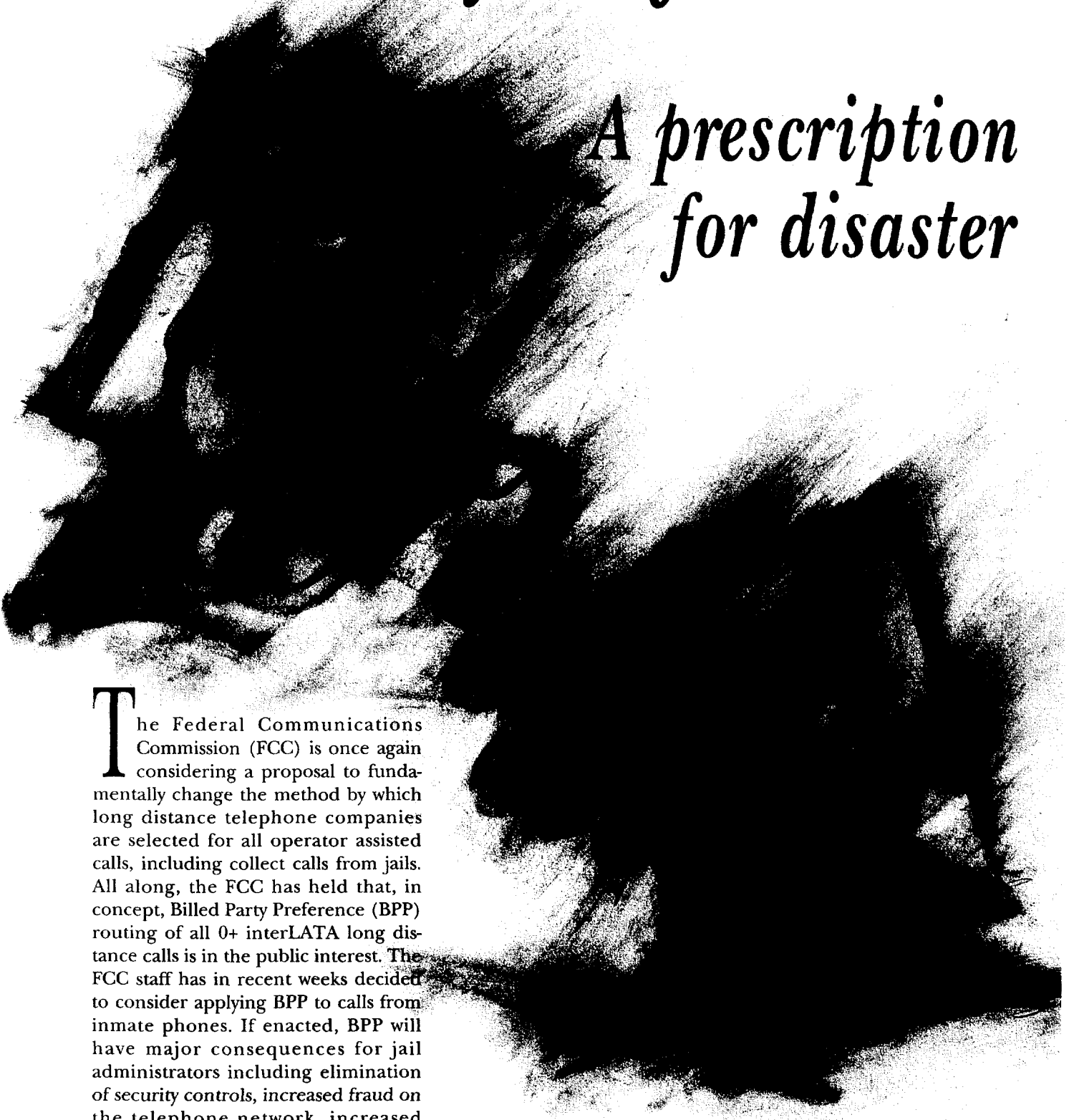
Send one copy of comments to:

Inmate Phone Service Providers Task Force
P.O. Box 8179
Greensboro, N.C. 27419

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Billed Party Preference...

*A prescription
for disaster*



The Federal Communications Commission (FCC) is once again considering a proposal to fundamentally change the method by which long distance telephone companies are selected for all operator assisted calls, including collect calls from jails. All along, the FCC has held that, in concept, Billed Party Preference (BPP) routing of all 0+ interLATA long distance calls is in the public interest. The FCC staff has in recent weeks decided to consider applying BPP to calls from inmate phones. If enacted, BPP will have major consequences for jail administrators including elimination of security controls, increased fraud on the telephone network, increased

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hardships for families of inmates, and the virtual elimination of all phone service commissions. This article focuses on the need to understand the problems BPP will present to confinement facilities and suggests a rational approach to resolving the problems that now affect jail administrators, inmates, inmate families, and the private inmate phone service providers.

What Is Billed Party Preference?

In order to persuade someone to buy into or accept something, it is first necessary to make sure they understand what you're saying. This is not as easy as it sounds because few people have the ability to convert their reasons into analogies that relate to the other person's experiences. Even fewer people have the ability to actually enter the world of the other person. Even then, the other person's degree of believing is in direct proportion to his existing needs and desires. Such is the case in attempting to examine the many emotional and logical faces of BPP as it relates to confinement facilities, the inmates confined there, their families, their jailers' access to the legal process, and the inmate phone service providers. While space will not allow a complete entry into the world of each player in this unfolding drama, the examination which follows will attempt to provide an understanding of the emotional underpinnings and logic behind the desires and needs of each group.

BPP is a proposal currently pending before the FCC regarding a fundamental change in the method by which long distance telephone companies are selected for all operator assisted calls, including calling card calls, collect calls, and calls billed to third numbers. These calls would include calls made by the public from pay telephones and motels as well as collect calls placed by inmates in jails. As originally proposed by Ameritech in 1986, a national database would route all calls to the long distance telephone company picked by the party paying for the call.¹ This party is the "billed party," hence the name Billed Party Preference.

The FCC order on BPP outlines what it believes will be another advantage of BPP, namely refocusing of competition from the payment of commissions to improved quality and reduced rates. Currently, operator service providers (OSP) compete for contracts by offering commission payments to confinement facilities. It is the

FCC's opinion and bias that the success of an OSP in the marketplace is directly related to the amount of commissions it offers and in some cases, regrettably, the higher costs of these commissions are passed on to consumers through higher operator service rates. Fortunately, in the inmate phone industry there is a movement underfoot by informed jail administrators to mandate that inmate phone service providers charge regulated and monitored rates.

What Would BPP Mean for the Public?

Ask the people on the street what Billed Party Preference is and what it means to them and you're liable to get a puzzled look followed by typical body language indicative of confusion. Average persons have no earthly idea what BPP is and what its implications would be. If you explain that it would allow them to select the long distance carrier of their choice at pay phones and in motels, they will give you a shrug and tell you that they do that now, by dialing 10288 for AT&T, as an example. If you tell them BPP would automatically route (without dialing an access code) their long distance calls to their picked carrier, they will probably be in favor of it. If you tell them that the cost of this automatic routing will increase the cost of their call, they will tell you they don't want it. It is interesting to note that the FCC's final report to Congress in 1992 on the results of the Telephone Operators Consumer Services Improvement Act of 1990 stated the cost of calls is coming down and consumers are able to reach the carrier of their choice through the operations of the competitive market.² It is also worth noting that not one public interest group has filed comments with the FCC favoring BPP.

Since the present article attempts to examine the consequences of BPP as it relates to the special problems of confinement facilities, their administrators, their inmates, and the inmates' families, the most logical question at this point is, "What are the problems with BPP in confinement facilities?" Next, one would need to ask the following questions: What does BPP mean to jail administrators? What would BPP mean to inmates and their families? What would BPP mean to inmate phone service providers? Who keeps urging the FCC to adopt BPP? And, finally, What do we need to do now to prevent this disaster?

What Are The Problems With BPP in Confinement Facilities?

In order to understand the problems BPP presents for jail administrators, it is first necessary to explain why confinement facilities are unique and why specialized phone system equipment is necessary there. First, a confinement facility is a controlled environment, not like public areas where, for example, public pay phones may be available. The FCC is already on record as recognizing this critical difference. Moreover, based on material presented by experts in telecommunications problems and fraud control, confinement facilities were specifically exempted in 1991 from the Commission's rules that prohibit the blocking of access code dialing at public pay phones and hotels.³ Second, inmate phone systems must balance a number of needs in providing service. Such systems must not jeopardize maintenance of security. Such systems should provide inmates with reasonable access to phones for contact with family, friends, and attorneys. Inmate phone systems must be designed and operated in a manner that prevents criminal activity including harassment and fraud without placing undue manpower requirements on staff.

Experience has shown that blocking calls to specific numbers is necessary. Experience has also shown that in some situations it is necessary to allow inmates to call only specific numbers. This prevents or reduces harassing calls as for example in calls to judges, witnesses, and jurors. Blocking also prevents or reduces other criminal activity. It is also necessary to block inbound calls to inmates. Some systems must be equipped with listening and/or recording capabilities necessary for detecting and preventing criminal activity. Similarly, such systems must be capable of providing real time call detail and special reports in investigations of criminal activities. By requiring such systems to be fully automated, the ability of inmates to harass or defraud live operators is virtually eliminated. This obviously negates the need to provide special training for live operators. Such systems also need to inform the collect call recipient that the calling party is making a call to them from a confinement facility and that the call will be a collect call. This is necessary to ensure that the called party is informed before accepting the call. Such systems must also provide for affirma-

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tive responses (by verbal responses or entry of digits on keypad) to accept or not accept such calls. Most important, specialized systems are necessary to block the transfer of calls to third parties once a collect call is accepted. Even with specialized systems, the annual losses to inmate toll fraud are staggering.

The bottom line is that specially adapted telephone systems help maximize control and monitoring of inmate calling. The systems enable correctional administrators to limit calls to collect or other types of designated calling, to

ensure that calls are placed on an automated basis only or at least only through specially trained operators, to control more tightly who, when, how often and for how long inmates can call. Furthermore, these specially adapted telephone systems have generally been provided at very low cost or for free and have also been a source of revenue for confinement facilities.

BPP would require routing to the billed party's operator service provider of choice. As a result, specialized requirements could be restricted or impaired, resulting in increased opportunity for fraud, harassment, and other criminal activity. In this regard, it is clear that not all long distance companies would have the blocking or call restriction capabilities institutions require. The net effect to jails and prisons would be the potential for high fraud, no specialized services (blocking, phone number searches, etc.), and no real time monitoring or call detail reporting capabilities that are often required. Appropriate operator handling (live or automated) cannot be ensured either. Additionally, there is no guarantee that appropriate responses to network signaling by another carrier's network would be ensured.

What Does BPP Mean to Jail Administrators?

Under the current system of inmate-only phones, less supervision is required in cellblock areas because an officer is not required each time an inmate places a call. Reduced supervision requirements mean reduced administrative costs and security risks, better discipline, and measurably higher inmate morale. Under BPP, more supervision would be required to control calling by inmates. For example, BPP would take away from correction officials the authority to control the routing of inmate calls, eliminate limits on the types of calls, cause

loss of control on whether the calls would be handled by automated or live operators, and otherwise dilute the controls associated with modern inmate phone systems. In addition, the FCC proposal would eliminate the current revenue sharing opportunities which now constitute a source of revenue for confinement facilities and which are in most cases the major source of revenue for inmate welfare funds.

But perhaps the biggest concern of jail administrators is the fact that BPP will also result in the demise of competitive providers of inmate telephone systems. Confinement facilities will once again have to deal only with the telephone companies. Currently, competitive providers are able to bid to provide inmate telephone systems because they control the routing of calls from the inmate facility and they carry the call on their networks.

They will lose this ability under BPP. With BPP, telephone companies will now control the routing of all calls. They will be the sole recipient of revenues from the long distance companies for passing the calls on. With BPP, long distance carriers will not have the ability to contract with confinement facilities for the inmate calling traffic, but instead will receive the traffic based on the preselection of the billed or called party. Accordingly, the long distance companies will not be motivated to share revenue with the jail/prison authorities. There will be no pressure, from competitive providers of inmate phone systems, on either the telephone companies or the long distance companies to make them share any of the revenue they receive. This means that there will be little or no revenue sharing.

Once competitive providers of inmate phone systems disappear, correctional authorities will once again find themselves at the mercy of the telephone companies' offerings. They will have little leverage to demand or receive from the telephone company the specialized systems and features they now enjoy, unless the telephone company chooses to make them available for a fee. Confinement facilities serviced by small independent telephone companies will have no choice but to request budget allocations for these systems, purchase them, and operate them.

Inmate populations are growing at rates estimated from 12 to 15 percent per year. This means that by the end of the century, inmate populations could be increased by 40 percent. As inmate populations grow, so does the need for manpower. Again, manpower needs are expected to increase by 40 percent by the year 2000. Accordingly, counties and states will face even tougher economic pressures than currently exist. Those that cur-



rently exist are already straining city, county, and state budgets, past the breaking points. In order to house the inmates, new jails and other correctional facilities will have to be built. The public demands this, but the problem is there are no readily available funds to build such facilities. Jail administrators already know this. They also know that county and state officials will not and cannot provide revenue for inmate welfare funds. Accordingly, jail administrators already know that if BPP becomes a reality, their county and state officials are not very likely to invest in expensive inmate-only phone systems. Even if they did, at most facilities who could operate them, who could provide the technical expertise to monitor three-way calling, call velocity checks, and produce real time call detail reports?

When BPP becomes a reality, private inmate phone service providers will disappear taking their specialized phone systems with them. Then, jail administrators will have no choice but to return to the chaos that existed in the days before deregulation and divestiture of the telecommunications monopoly. As the old-timers will tell you, during the monopoly era, telephone privileges for inmates were extremely rare, because of the limited number of phones. When a husband was incarcerated the inability to communicate regularly with his family led to tragic hardships; family suffering and breakup was the rule. These are just some of the consequences that will result with BPP, consequences that experienced jail administrators dread, consequences that the FCC must be made to comprehend.

What Would BPP Mean to Inmates and Their Families?

Certain inmate activist groups have strongly objected to exempting prison telephone services from the BPP billing option. One such group, the Citizens United for the Rehabilitation of Errants (CURE) submitted comments to the FCC stating: "The Commission's proposal to implement a Billed Party Preference (BPP) routing scheme for 0+ interLATA operator traffic would benefit a significant segment of CURE's membership by helping to reduce the substantial costs associated with collect calls they receive from offenders using inmate-only prison telephones. These savings would not only benefit these parties by helping to remove a considerable financial barrier to communicating with loved ones in prison, such savings also would benefit society in general by facilitating family and community ties that have a demonstrable effect in reducing recidivism, preserving the family unit, easing prison tensions, and promoting society's efforts to rehabilitate offenders."⁴